

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1850

By: Osborn (Leslie)

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6 AS INTRODUCED

7 An Act relating to public finance; amending Section  
8 5, Chapter 184, O.S.L. 2015 (62 O.S. Supp. 2016,  
9 Section 7005), which relates to the Incentive  
10 Evaluation Act; removing evaluation criteria; and  
11 providing an effective date.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY Section 5, Chapter 184, O.S.L.  
14 2015 (62 O.S. Supp. 2016, Section 7005), is amended to read as  
15 follows:

16 Section 7005. A. The Commission may contract with a private  
17 company, nonprofit, or academic institution to assist with  
18 evaluation of each incentive. The Commission shall develop a scope  
19 of services for a request for proposals issued pursuant to The  
20 Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of  
21 the Oklahoma Statutes, for professional services necessary to  
22 complete incentive evaluations pursuant to the Incentive Evaluation  
23 Act. The cost of such contract shall be paid by the Office of  
24 Management and Enterprise Services. No recipient or potential

1 recipient of an incentive or representative of a recipient or  
2 potential recipient shall contact the entity or individual with whom  
3 the Commission contracts pursuant to this subsection unless the  
4 entity or individual specifically requests information or  
5 documentation for purposes of the incentive evaluation process;  
6 provided, this shall not be construed to prevent participation in a  
7 public hearing conducted pursuant to subsection B of this section.

8       B. By November 1 of each year beginning in 2016, the Commission  
9 or the Commission's chosen contractor shall evaluate each incentive  
10 scheduled for review that year. The Commission or the Commission's  
11 chosen contractor shall conduct each incentive evaluation in  
12 consultation with the Oklahoma Department of Commerce division of  
13 Research and Economic Analysis Services using criteria developed  
14 pursuant to subsection D of this section. Between November 1 and  
15 November 30 of each year beginning in 2016, the Commission shall  
16 hold at least one public meeting to review, allow for public  
17 comment, and vote to approve or disapprove each incentive evaluation  
18 conducted that year. By December 15 of each year beginning in 2016,  
19 the Commission shall provide the results of each incentive  
20 evaluation in a written report to the Governor, President Pro  
21 Tempore of the Senate and Speaker of the House of Representatives.  
22 The report shall be made publicly available on the Oklahoma  
23 Department of Commerce website and *documents.ok.gov*.

24       C. Each evaluation shall include the following:

1           1. An estimate of the economic and fiscal impact of the  
2 incentive. This estimate shall take into account the following  
3 considerations in addition to other relevant factors:

4           a. the extent to which the incentive changes business  
5 behavior,

6           b. the results of the incentive for the economy of  
7 Oklahoma as a whole. This consideration includes both  
8 positive direct and indirect impacts and any negative  
9 effects on other Oklahoma businesses, and

10          c. a comparison to the results of other incentives or  
11 other economic development strategies with similar  
12 goals;

13          2. An assessment of whether adequate protections are in place  
14 to ensure the fiscal impact of the incentive does not increase  
15 substantially beyond the state's expectations in future years;

16          3. An assessment of whether the incentive is being administered  
17 effectively;

18          4. An assessment of whether the incentive is achieving its  
19 goals;

20          5. Recommendations for how Oklahoma can most effectively  
21 achieve the incentive's goals, including recommendations on whether  
22 the incentive should be retained, reconfigured or repealed; and

23          6. Recommendations for any changes to state policy, rules, or  
24 statutes that would allow the incentive to be more easily or

1 conclusively evaluated in the future. These recommendations may  
2 include changes to collection, reporting and sharing of data, and  
3 revisions or clarifications to the goal of the incentive.

4 ~~D. Evaluation criteria shall be developed for each incentive~~  
5 ~~evaluated by the Commission. Each incentive shall be evaluated~~  
6 ~~using criteria specific to the individual incentive. The criteria~~  
7 ~~shall be developed through the administrative rulemaking process~~  
8 ~~pursuant to the Administrative Procedures Act, Section 250 et seq.~~  
9 ~~of Title 75 of the Oklahoma Statutes, and codified in the~~  
10 ~~administrative code of the Oklahoma Department of Commerce.~~

11 ~~E.~~ At the request of the Incentive Evaluation Commission, state  
12 agencies shall provide any records, information, data, or data  
13 analysis necessary for the Commission or contractors to effectively  
14 evaluate incentives. The Commission and contractors shall not  
15 disclose or release any data received from other state agencies,  
16 except as permitted under law.

17 SECTION 2. This act shall become effective November 1, 2017.

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